

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF WILLIAM A. AND )	APPEAL NO. 06-A-2019
LINDA J. HOLSTEIN from the decision of the Board of )	FINAL DECISION
Equalization of Ada County for tax year 2006. )	AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing September 14, 2006, in Boise, Idaho, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. William Holstein appeared for himself. Chief Deputy Assessor Marilee Fuller and Deputy Assessor Candy Richmond appeared for Respondent Ada County. This appeal is taken from a decision of the Ada County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. S1212347102.

**The issue on appeal is the market value of a residential property.**

**The decision of the Ada County Board of Equalization is modified.**

FINDINGS OF FACT

The assessed land value is \$100,000, and the improvements' valuation is \$60,800, totaling \$160,800. Appellants request the land value be reduced to \$55,200, and the improvements' value be reduced to \$54,720, totaling \$109,920.

The subject property is a single-family residence located in Meridian, Idaho. The Holsteins have resided in the residence for a long period of time. While the zoning for the property is now light industrial, the property is used by Appellants as their personal residence.

Effective January 1, 2005, the Assessor appraised the lot value at \$48,000 and the improvements at \$60,800. The land had been assessed at \$42,000 in 2004. Effective January 1, 2006, the Assessor doubled the lot value to \$100,000, but left the improvements value at \$60,800.

Mr. Holstein presented evidence and testimony establishing that the condition of residence

had deteriorated significantly. Photographs were offered which demonstrated a great deal of damage or deferred maintenance to the home. Testimony established the property is currently surrounded by wrecking yards and body shops and is located in the middle of an industrial area. Another nearby lot is used for storing portable toilets. It is not a particularly desirable residential location. Appellants complained that the County raised the lot value 208% in one year, and believe a 15% increase would be reasonable.

Deputy Assessor Candy Richmond, testified she compared three properties which had recently sold to establish the subject's assessed value. Subject residence contains 1,478 square feet, with a 564 square foot garage. The home is on .94 acres. Information on the three sales was admitted as Respondent's Exhibit No. 1. The County's exhibit materials also included a map showing where each of the three sales was located and the size of the lots in relation to subject. All three sales were located in established residential subdivisions with out the type or degree of residential detriments affecting subject's use.

The County admitted the subject residence was in disrepair and consequently, did not increase its value. The County acknowledged it must appraise the property as residential property under the law. But also contended, there had been a dramatic increase in sale prices in the area. The County further presented documents which established that generally, residential sales in all of Ada County were increasing at the rate of 1.85% per month. In addition, the Deputy Assessor testified that a neighboring lot had sold for \$100,000. The lot however sold as industrial property. The Deputy Assessor further contended the huge jump in subject's land value was because it had previously been under-assessed.

The Board finds that the assessed value of subject land is excessive because it is based upon inadequate sales which were not representative of residential homes located in a less

desirable (industrial) area. We hold the assessed lot value does not reflect due discount from industrial property price levels. The evidence does not support a 208% increase in the value of subject's residential lot. Any under-assessment in 2005 was not demonstrated.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Appellants' basic concern was that subject property was overvalued. Idaho is a market value state for property tax purposes. The value standard is defined in Idaho Code § 63-201(10) (2006) as follows:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Idaho Code § 63-602H specifically provides that residential property which is located in an area previously zoned residential and which has now been re-zoned to something other than residential shall be appraised, assessed and taxed as if the property were in an area zoned residential as long as the property is continuously used by the owner solely for residential purposes. The Holstein property falls within this statutory exemption.

In determining the value of property, the assessor may and should consider costs, location, actual cash sale value and all other factors, known or available to his knowledge, which affect the value of the property assessed. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394

(1979). The burden of proof by a preponderance of evidence lies with the party challenging the assessment to show that he is entitled to the relief claimed. The Senator, Inc., v. Ada County Board of Equalization, 138 Idaho 566, 569, 67 P.3d. 45, 48 (2003).

In this case, Appellants have established that the assessed value of subject lot is excessive. Appellants' value case centered on subject's specific condition and locational attributes, which from a residential use standpoint were negative factors. Taxpayers did not rely on industrial property price evidence. Therefore we conclude Appellants have provided a preponderance of evidence to support an adjustment in the assessed value of the lot.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease in the lot value to \$55,200. There is no change ordered to the improvements value. Therefore the total assessed value for subject is \$116,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellants.

DATED this 16<sup>th</sup> day of February, 2007.